
HOUSE CONCURRENT RESOLUTION

AUTHORIZING THE FORMATION OF A TASK FORCE TO STUDY THE ISSUE OF
PAYDAY LOANS.

1 WHEREAS, payday loans currently are regulated by chapter
2 480F, Hawaii Revised Statutes; and
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4 WHEREAS, in December 2005, the Office of the Auditor issued
5 *Report No. 05-11, Sunrise Analysis: Check Cashing and Deferred*
6 *Deposit Agreements (Payday Loans)*; and
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8 WHEREAS, the Auditor's Report found few complaints in
9 Hawaii and little evidence of harm to Hawaii consumers as a
10 result of payday loans; and
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12 WHEREAS, the Auditor's Report found that lowering the
13 maximum fees that may be charged for payday loans to the
14 equivalent of an annual percentage rate of thirty-six percent
15 would effectively drive providers of payday loans out of
16 business; and
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18 WHEREAS, the Auditor's Report found that if payday loans
19 are no longer available, there are few desirable alternatives
20 for consumers who use payday loans; and
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22 WHEREAS, the Auditor's Report also recommended several
23 legislative changes, including instituting a mandatory
24 registration program for all payday lenders with the Department
25 of Commerce and Consumer Affairs; and
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27 WHEREAS, the recommendations in the Auditor's Report have
28 not yet been adopted by the Legislature; and
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1 WHEREAS, the Legislature has received testimony from the
2 Office of Consumer Protection stating it has received very few,
3 if any, complaints about pay day loans in Hawaii; and
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5 WHEREAS, the Legislature also has received testimony from
6 various non-profit service providers alleging that incidents of
7 harm to consumers from payday loans have occurred; now,
8 therefore,
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10 BE IT RESOLVED by the House of Representatives of the
11 Twenty-eighth Legislature of the State of Hawaii, Regular
12 Session of 2015, the Senate concurring, that various
13 stakeholders are requested to convene a Payday Loans Task Force
14 (Task Force) to study the need, and develop recommendations, for
15 additional regulations relating to payday loans that do not
16 result in payday loans becoming economically unfeasible for
17 providers to offer; and
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19 BE IT FURTHER RESOLVED that the Task Force shall be
20 composed of:
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- 22 (1) The Chairperson of the Senate Committee on Commerce
23 and Consumer Protection, or the Chairperson's
24 designee, who shall be a voting member of the Task
25 Force;
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- 27 (2) The Chairperson of the House Committee on Consumer
28 Protection & Commerce, or the Chairperson's designee,
29 who shall be a voting member of the Task Force;
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- 31 (3) The Director of Commerce and Consumer Affairs, or the
32 Director's designee, who shall be a voting member of
33 the Task Force;
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- 35 (4) The Commissioner of Financial Institutions, or the
36 Commissioner's representative, who shall be a non-
37 voting member of the Task Force;
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- 39 (5) The Executive Director of the Office of Consumer
40 Protection, or the Executive Director's designee, who
41 shall be a non-voting member of the Task Force;
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1 (6) A representative from the non-profit organizations
2 that have provided testimony to the Legislature
3 regarding payday loans, selected by the President of
4 the Senate, who shall be a voting member of the Task
5 Force;

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7 (7) A representative from the non-profit organizations
8 that have provided testimony to the Legislature
9 regarding payday loans, selected by the Speaker of the
10 House, who shall be a voting member of the Task Force;

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12 (8) A representative from the payday loan industry
13 selected by the President of the Senate, who shall be
14 a voting member of the Task Force; and

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16 (9) A representative from the payday loan industry
17 selected by the Speaker of the House, who shall be a
18 voting member of the Task Force; and

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20 BE IT FURTHER RESOLVED that the Task Force shall select a
21 chairperson from among its members; and

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23 BE IT FURTHER RESOLVED that the Task Force is requested to
24 provide a report of its findings and recommendations, including
25 any proposed legislation, to the Legislature no later than
26 twenty days prior to the convening of the Regular Session of
27 2016; and

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29 BE IT FURTHER RESOLVED that the report include:

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31 (1) An analysis of whether Hawaii consumers currently are
32 being harmed by payday loans, and the specific ways in
33 which any harm is occurring; and

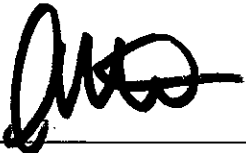
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35 (2) Recommendations, if any, for revisions to Chapter
36 480F, Hawaii Revised Statutes, to address specific
37 harms to Hawaii consumers identified by the Task
38 Force, but which revisions do not result in payday
39 loans becoming economically unfeasible for providers
40 to offer; and



H.C.R. NO. 209

1 BE IT FURTHER RESOLVED that certified copies of this
2 Concurrent Resolution be transmitted to the Director of Commerce
3 and Consumer Affairs, Commissioner of Financial Institutions,
4 and Executive Director of the Office of Consumer Protection.
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OFFERED BY:

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